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Department of State

INCOMING TELEGRAM

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ACTION EUR-12

INFO OCT-01 INR-10 SP-02 AF-10 OES-09 EB-08 NEA-07
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FM USICA LONDON
TO USINFO WASHDC IMMEDIATE
WHITE HOUSE/NSC PRIORITY
USDOE WASHDC PRIORITY
TREASURY WASHDC PRIORITY
OSD WASHDC PRIORITY
CIA WASHDC PRIORITY
VOA MUNICH PRIORITY
3RD AIR FORCE MILDENHALL PRIORITY
USICA PARIS PRIORITY
USCINCEUR VAIHINGEN GERMANY PRIORITY
USNMR SHAPE PRIORITY
USMISSION USOEC PARIS PRIORITY
USICA/USNATO BRUSSELS PRIORITY
AMEMBASSY BRUSSELS PRIORITY
AMEMBASSY DAR ES SALAAM PRIORITY
INFO SECSTATE WASHDC

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USINFO FOR PGM/RC - VOA/PE - PGM/PP. PASS EU. PASS PGM/FW. PGM/RC FOR VOA AND PASS STATE FOR S/P AND INR. OSD FOR ISA-ILN. JAMES FOR SOE. MILDENHALL FOR OI. PARIS FOR PRESS ATTACHE. USCINCEUR FOR PAO. USICA USNATO BRUSSELS FOR DEAN CLAUSSEN. AMEMBASSY BRUSSELS FOR USEC. SECSTATE ALSO PASS EUR (GOODBY AND FUNSETH) AND AF/S HARE. WHITE HOUSE/NSC FOR BLACKWILL. DAR ES SALAAM FOR PAO'S OFFICE.

LONDON MIDWEEK REVIEW SUMMARY TO FRIDAY, JUNE 13, 1988.

FIRST ADD : X X X SHOULD STILL BE DONE QUIETLY.

THE OTHER WAY OF RAISING THE COST TO RUSSIA OF ANOTHER COLD WINTER IN AFGHANISTAN IS BY SQUEEZING THE FOOD AND TECHNOLOGY TRANSFERS ON WHICH THE SOVIET ECONOMY HAS COME TO DEPEND. LIKE THE OLYMPIC BOYCOTT, PRESIDENT CARTER'S TRADE SANCTIONS HAVE NOT BEEN VERY EFFECTIVE SO FAR AND AMERICAN EXPORTERS HAVE BORNE BY FAR THE LARGEST SHARE OF THE BURDEN. THE RUSSIANS SEEM TO HAVE MADE UP MOST OF THEIR LOST AMERICAN GRAIN FROM OTHER SOURCES; AND THE LOSS OF LONG-TERM INDUSTRIAL PROJECTS

WILL TAKE TIME TO HIT. THIS IS WHY A PARTIAL TRADE EMBARGO WILL PERSUADE THE RUSSIANS TO CHANGE THEIR STRATEGY IN AFGHANISTAN ONLY IF THEY FIRST BECOME CONVINCED THAT A QUICK WIN IS IMPOSSIBLE, AND THAT SANCTIONS WILL BE AS PROLONGED AS THEIR OWN OCCUPATION -- AND MAY SPREAD AS TIME GOES ON.

THE COSTS OF REMAINING IN AFGHANISTAN, AS THE RUSSIANS CALCULATE THEM TODAY, ARE UNLIKELY TO LOOK INTOLERABLE. BUT IT IS IMPORTANT THAT THEY SHOULD BE ABLE TO READ THE OTHER SIDE OF THE LEDGER. THE WEST, IN COOPERATION WITH AFGHANISTAN'S NEIGHBOURS, SHOULD REAFFIRM ITS READINESS TO PROVIDE A FACE-SAVER IN THE FORM OF SOME VERSION OF THE CARRINGTON NEUTRALITY PLAN, ENSHRINED IF NECESSARY IN A FORMAL AUSTRIAN-TYPE TREATY. BUT IF THIS PLAN IS TO BE FITTED IN WITH RECENT SOVIET-AFGHAN PROPOSALS, THE RUSSIANS WILL HAVE TO ACCEPT (A) THAT NOBODY CAN DELIVER AN END TO THE INSURGENCY, WHICH WILL COME ABOUT ONLY AS THE RESULT OF A POLITICAL SETTLEMENT; AND (B) THAT SOVIET TROOPS WITHDRAWALS WILL HAVE TO ACCOMPANY, NOT FOLLOW, ANYACTION TO STOP ARMS AID OR RESTRICT GUERRILLA SANCTUARIESM

THE RUSSIANS AND THEIR CLIENTS ARE NOT THE ONLY PARTIES TO THE AFGHAN DISPUTE UNREADY FOR SERIOUS NEGOTIATIONS. AT THE END OF LAST MONTH THE UMPTEENTH QUEST FOR UNITY BY REBEL LEADERS IN PESHAWAR CAME TO NOTHING. THE REBELS TOO NEED REMINDING THAT, UNLESS THEY CAN PROVIDE A POLITICAL ALTERNATIVE, THEY WILL LOSE THE WAR."

NOW MAGAZINE COLUMNIST AND INTERNATIONAL AFFAIRS EXPERT BRIAN CROZIER: "THE WAR IN AFGHANISTAN HAS TAKEN AN IRONICAL TWIST: THE SOVIET INVADERS ARE NOW UP AGAINST ONE OF THE BEST SOVIET DEFENSIVE WEAPONS, THE SURFACE-TO-AIR MISSILE SAM-7. LARGE NUMBERS OF SAM-7S HAVE REACHED THE MOSLEM RESISTANCE FIGHTERS AND IT IS THOUGHT ONE OF THEM MAY HAVE BEEN RESPONSIBLE FOR BRINGING DOWN A SOVIET HELICOPTER GUNSHIP THIS WEEK AT SHAKARDARA, 18 MILES NORTH OF KABUL.

IN THIS CRUEL WAR, THE CRUELLEST WEAPON ON THE INVADING SIDE HAS BEEN THE GUNSHIP, WHICH HOVERS OVER DEFENCELESS VILLAGES AND MOWS DOWN ARMED OR UNARMED INHABITANTS. THE SAM-7 IS PARTICULARLY EFFECTIVE AGAINST SLOW-FLYING HELICOPTERS AND PROPELLER-DRIVEN PLANES.

IT IS PORTABLE, SHOULDER-LAUNCHED AND ACCURATE UP TO FIVE MILES, OPERATING ON A HEAT-SEEKING PRINCIPLE. IT IS A RELATIVELY SIMPLE WEAPON TO OPERATE AND NEEDS ONLY A FEW WEEKS' TRAINING.

WHERE DO THE SAM-7S COME FROM? UNTIL WATERGATE AND THE ECLIPSE OF AMERICA'S INTELLIGENCE SERVICES, THE AUTOMATIC ANSWER WOULD HAVE BEEN: THE CIA. NOW, THE CIA SCARES NOBODY EXCEPT THE WASHINGTON POST AND THE COLUMBIA BROADCASTING SYSTEM, WE HAVE TO LOOK ELSEWHERE.

MY OWN INVESTIGATIONS LEAD INESCAPABLY TO ANOTHER IRONICAL TWIST: THE SAM-7S CAN COME ONLY FROM THE MORE EXTREME ARAB GROUPS AND COUNTRIES WHICH ORIGINALLY RECEIVED THEM BY THE THOUSAND FROM THE SOVIET UNION OR WARSAW PACT COUNTRIES, NEARLY ALL OF WHICH MANUFACTURE THEM."

SANCTIONS AGAINST RUSSIA :

ECONOMIST ARTICLE: "WESTERN SANCTIONS COULD BITE HARDER ON RUSSIA THAN ON IRAN BECAUSE AMERICA DEPENDS LESS ON ITS ALLIES TO MAKE THEM BITE. OTHER COUNTRIES -- WITH BIG EXCEPTIONS LIKE ARGENTINA -- HAVE PROMISED NOT TO SELL RUSSIA GOODS AMERICAN COMPANIES HAVE BEEN FORBIDDEN TO EXPORT. THAT IS NOT WORTH MUCH; BIG NEW CREDIT LINES FOR THE SOVIET UNION ARE BEING ARRANGED IN EUROPE. BUT THE UNITED STATES IS SQUEEZING WHERE THE SOVIET ECONOMY IS WEAKEST: HIGH TECHNOLOGY AND FOOD. SO SANCTIONS MAY EVENTUALLY STING RUSSIA'S HARDPRESSED PLANNERS A LOT MORE THAN NOW SEEMS APPARENT.... PRESIDENT CARTER HAS...TRIED TO WIDEN THE LIST OF GOODS EXPORTED TO RUSSIA WHICH MUST FIRST BE CLEARED BY COCOM, THE NATO GROUP (PLUS FRANCE AND JAPAN) WHICH WATCHES SENSITIVE EXPORTS TO COMMUNIST COUNTRIES. IN MARCH, AMERICA SENT COCOM A LONG, SECRET LIST OF PROPOSALS FOR TIGHTENING TRADE RESTRICTIONS ON, EG, DATA PROCESSING TECHNOLOGY AND KNOWHOW RELATED TO OIL AND GAS DEVELOPMENT.

AMERICA'S ALLIES -- ESPECIALLY WEST GERMANY -- WOULD NOT BE HAPPY TO PUT ENERGY TECHNOLOGY ON A NEW COCOM LIST, SO IT WILL TAKE SEVERAL MONTHS TO WORK OUT A COMMON POLICY. WEST GERMANY HAS JUST SIGNED A 25-YEAR TRADE AGREEMENT WITH RUSSIA WHICH INCLUDES COOPERATION ON ENERGY EXPLORATION.

(MORE) USICA LONDON

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DAN ZACHARY 10/3/88

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